

# KEY BISCAYNE POLICE OFFICERS' & FIREFIGHTERS' RETIREMENT PLAN

Village Council Chambers  
560 Crandon Blvd., Key Biscayne, FL 33149  
REGULAR MEETING OF NOVEMBER 20<sup>TH</sup>, 2013

**1. Call to Order** – Chairman Michael Haring called the meeting of the Key Biscayne Police Officers' & Firefighters' Retirement Plan to order at 5:38 P.M.

## Roll Call

### Present

Chairman Michael Haring  
Martha F. Broucek  
Ramon Rodriguez  
Secretary Servando Parapar

### Absent

Jose L. Monteagudo

**OTHERS PRESENT:** Burgess Chambers from Burgess Chambers & Associates, Blake Myton from SunTrust, F/F Ronald A. Erbel, Alison S. Bieler, Esq., from Cypen & Cypen, Attorneys for the Fund and Joan L. Wall, Administrator.

**2. Additions/Deletions to Agenda.** The mailed agenda contained an error in the amount of the NCPERS dues under agenda item # 4 and the date of the September meeting under agenda item #7 f) should be September 25<sup>th</sup>, 2014.

**3. Approval of Minutes for September 26<sup>th</sup>, 2013.** Chairman Haring presented the minutes from the previous meeting for approval. Martha Broucek moved to approve. Chairman Haring seconded the motion. The motion carried unanimously.

**4. Approval of Invoices.** Chairman Haring presented the invoices listed on the agenda for approval and payment, stating he wished to pull the NCPERS dues invoice to be handled separately. Martha Broucek moved to approve the remaining invoices. Servando Parapar seconded the motion. The motion carried unanimously, authorizing payment of the following:

SunTrust Bank, Inv #252484 Dated 10/28/13	\$11,115.77
SunTrust Bank, Inv #252485 Dated 10/28/13	\$ <u>932.40</u>
TOTAL	\$ 12,048.17
Burgess Chambers & Associates, Inc., Inv #13-224 Dated 8/9/13	\$ 3,750.00
Burgess Chambers & Associates, Inc., Inv #13-251 Dated 9/30/13	\$ 302.15
Burgess Chambers & Associates, Inc., Inv #13-252 Dated 9/30/13	\$ <u>1,447.85</u>
TOTAL	\$ 5,500.00

Holland & Knight, Invoice #2971752 Dated 10/23/13	\$ 300.00
FPPTA, Dues for 2014	\$ 600.00
Joan L. Wall, Administrator, 9/18 – 11/13/13; 39 ¾ hrs, plus expenses	\$ 1,877.23

After the explanation of the administrator regarding confusion on NCPERS website that resulted in an incorrect amount posted on the trustees' agendas and Attorney Bieler's recommendation regarding the materials available to the trustees by joining NCPERS, Martha Broucek moved to approve payment of the 2014 dues fees of \$250. Servando Parapar seconded the motion. The motion carried unanimously.

**5. Approve Refund of Pension Contributions.** Chairman Haring presented the request for refund of pension contributions as listed on the agenda. Servando Parapar moved to approve payment. Chairman Haring seconded the motion. The motion carried unanimously, authorizing payment of the following:

P/O Christopher Pearson, H/D 11/26/12, T/D 9/20/13, Contributions \$7,027.65	
Less Mandatory 20% WH Taxes of \$1,405.53, Net Check of	\$ 5,622.12

**6. UNFINISHED BUSINESS – None.**

## **NEW BUSINESS**

**7. a) SunTrust – Investment/Market Report.** Global stocks snapped back sharply after several of the headwinds leading to August's stumble dissipated. Fixed income markets exhaled as most sectors notched gains for September and the third quarter. Global political turmoil eased in September. International stocks outpaced US stocks for the quarter while interest rates fell for the first month after four straight monthly jumps. Real estate bested equities for the first time in five months during September, although it was not enough to make it positive for the quarter. Mr. Myton stated he recommended taking 1% from the ishares IBoxx High Yield ETF and moving the funds to PIMCO 1-5 Year US TIPS ETF and taking 2% from ishares Barclays TIPS and moving the funds to Vanguard Short Term Bond ETF. Burgess Chambers stated these moves met with his approval. Martha Broucek moved to approve both investment changes. Servando Parapar seconded the motion. The motion carried unanimously. Mr. Myton stated he would forward the Trading Form for the chairman and another trustees' signatures.

**7. b) Burgess Chambers & Associates – Performance Report for 9/30/13 Quarter.** Mr. Chambers stated the fund had a great performance, placing in the top fifth of pension funds. For the quarter, the Fund earned \$1.2 million or +5.5% (+5.4% net), ahead of the model portfolio (4.7%) and ranked in the top 21<sup>st</sup> percentile. Large-cap growth (+13.5%), small-cap (+9.7%), international (+9.7%) and mid-cap (+7.9%) were the best performing asset classes during this period. For the fiscal year, the Fund had earned \$2.6 million or +14.1% (+13.4% net), ahead of the model

portfolio (+12.6%). Small-cap (+32.1%), large-cap growth (+26.7%), mid-cap (+26.2%) and large-cap core (+19.6%) were the best performing asset classes during the period. Results ranked in the top 21<sup>st</sup> percentile. For the rolling three-year period the Fund earned, on average, +9.9% net per year, well ahead of the actuarial assumption rate and ranked in the top 31<sup>st</sup> percentile. For the five-year period, the Fund averaged +8.2% net, beating the actuarial return assumption and ranking in the top 21<sup>st</sup> percentile.

#### **7. c) IRS – Favorable Plan Determination**

- **9/27/2013 Letter from IRS regarding compliance statement.** The IRS has made a favorable determination on the plan based on the information supplied and adoption of the ordinance submitted in letter dated February 15<sup>th</sup>, 2011. This letter expires on January 31<sup>st</sup>, 2014.
- **10/29/2013 Letter from Holland & Knight regarding future IRS compliance.** The letter outlined the need to maintain the compliance of the plan with the IRS on a five year basis. To maintain cycle C, the filing deadline is January 31<sup>st</sup>, 2014. Holland & Knight proposes their fees for submitting the plan, which includes restating the plan document that will accompany the determination letter request are not expected to exceed \$8,000. Attorney Bieler advised that for plans that did not meet monthly Holland & Knight was willing to advance the \$2,500 User Fee to the IRS and bill the Fund. Martha Broucek moved to approve the fee for the cycle C schedule of \$8,000 and reimbursing Holland & Knight for the \$2,500 User Fee they would be paying in advance for the Fund, as soon as billed. Chairman Haring seconded the motion. The motion carried unanimously.

**7. d) Review/Approve – Gabriel Roeder Smith’s letter of 10/9/13 regarding GASB No. 67 or GASB No. 68 to take place with the 9/30/14 year;** Additional Fees as follows: \$1,500 to \$2,500 for initial accounting information, \$450 additional to update and disclosures at year end for a total fee for both ranging from \$1,950 to \$2,950. After discussion, Ramon Rodriguez moved to approve. Servando Parapar seconded the motion. The motion carried unanimously.

#### **7. e) Schools & Conferences**

- FPPTA, Winter Trustees’ School, February 2<sup>nd</sup> – 5<sup>th</sup>, 2014 at the Hyatt Regency Riverfront, Jacksonville

#### **7. f) Review/Approve – Meeting Dates for 2014** (to be held at 5:30 P.M.)

- Thursday, January 23, 2014 – Servando Parapar advised he will not be able to attend this meeting
- Thursday, March 27<sup>th</sup>, 2014
- Thursday, May 22<sup>nd</sup>, 2014]
- Thursday, July 24<sup>th</sup>, 2014
- Thursday, September 25<sup>th</sup>, 2014

- Wednesday, November 19<sup>th</sup>, 2014

This schedule followed the same as in past years and was subject to Village Council approval.

## **8. Trustees' Concerns**

- Terms of Office – Michael Haring's and Jose Monteagudo's terms as trustee expired on 9/30/2013 – Election Updates. Chairman Haring stated there were no updates at this time. The matter was continued.
- Martha Broucek stated she would like to have Blake Myton, Burgess Chambers and Attorney Bieler attend a Village Council meeting including the public at large to make presentations as to how the Fund was doing as to investments and how the fund functioned from a legal and operational standpoint. After lengthy discussion Servando Parapar moved to approve Mrs. Broucek's suggestion, and possibly set this for the first meeting in January, 2014. Chairman Haring seconded the motion. The motion carried unanimously.
- Chairman Haring requested that the accounting information be sent to the actuary as soon as possible in order to have the valuation presented at the January, 2014 meeting if at all possible.

## **9. REPORTS**

- **Attorney** – None.
- **Administrator** – None.
- **Other** – Available upon request
  - 10/2/13 SunTrust Insurance Certificate of renewal – bond and errors & omissions coverage
  - 10/2/13 Burgess Chambers & Associates – ADV, Part 2 and privacy notice

## **10. Input from Active Members/Retired Members/Public Comments – None.**

## **11. Next Meeting Date/Adjournment.** Chairman Haring announced the next regular meeting was set for Thursday, January 23<sup>rd</sup>, 2014.

There being no further business before the board, Servando Parapar moved to adjourn at 7:37 P.M. Martha Broucek seconded the motion. The motion carried unanimously.

Respectfully submitted,

Servando Parapar, Secretary